INFORMATION LETTER

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Paper Shortage Situation May Handicap Supply of Labels

Reports have reached the Association that some canners have been unable to make firm contracts for label supplies, one such report stating that shipments of canned peas out of Wisconsin were delayed because of inability to obtain labels.

The paper shortage, which is the basic cause for such situations, continues to cause anxiety in many sections of the trade.

Advertisers report that magazine space is sold up to capacity with paper mills being bought by magazine publishers. The Department of Commerce reports that demands for paper and paperboard continue to mount while the sources of pulp supply are failing to respond. No one knows the backlog of orders for the paper mills because they are not accepting orders.

If all these reports of paper shortage add up to a probability that canners will be unable to obtain deliveries of labels and be prevented from engaging in the orderly marketing of canned foods at a time when they will be urgently needed for world-wide distribution, it deserves some forward thinking.

The Association will welcome reports of any actual instances of delay or inability of canners to make shipment due to failures in label supply.

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The first sizable figure on civilian supplies of canned peas possible since the end of the war shows up in the report of supply, stocks and shipments issued by the Association's Division of Statistics and presented on page 8862. This is the first of these monthly reports for this season. The Division has sent out to pea canners requests for information to constitute the basis of the next report and urges prompt and full returns. Also it has issued the canned corn questionnaire and reminds corn canners of the value of an early return of this information.

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Minor increases in some snap bean ceilings are granted by OPA to canners in four western States. See details on page 8862.

Fruit Price Ceilings Issued

The Office of Price Administration this week issued Amendment 6 to Supplement 13, effective December 3, containing price ceiling regulations for those fruits priced last year under Pricing Method No. 1 (band pricing) with the exception of Bartlett pears, halved, peeled, packed in Oregon and Washington. These will be added later. Ceiling prices for applesauce produced in New York, Virginia, Maryland, West Virginia, and Pennsylvania also are covered by the amendment.

Principal changes made from last year's regulations on these fruits are:

1. Tables specifying the amount of reduction in gross maximum prices where the raw product was purchased below the designated prices.

2. Adjustment for approved increases in basic wage rates in areas other than California.

3. Determination of syrup differentials separately for government and civilian sales.

The amendment includes tables for determining the syrup differentials where the fruit is packed in syrup, the density of which does not correspond to the grade of the fruit. In the case of civilian sales, syrup differentials are determined in the same manner as last year. However, on government sales separate factors are set forth for light-light and light-heavy syrup.

The permitted increases and price ranges for apricots, sweet cherries and yellow cling peaches are the same as last year's inasmuch as the designated raw fruit price has not been changed. In the case of red sour pitted cherries, the permitted increases and price ranges have been adjusted upward to reflect the higher raw product allowance this year. Pear ceilings for California have been reduced in view of the reduction in the designated raw material cost from $80 to $73 per ton. The ceilings on fruit cocktail reflect the changed raw material cost for Bartlett pears and Thompson seedless grapes.

In addition to various clarifying amendments, and the correction of a mathematical error in last year's regulation on the pricing of pie and solid pie pack grades of pears, this amendment contains certain changes in the pricing provisions relating to canned lima beans, tomato puree, Northwest beets, and apples processed in Oregon and Washington.

Full text of the Statement of Considerations to Amendment 6 to Supplement 13 is reproduced on the following pages in an effort to assist canner-members in arriving at a predetermination of prices while awaiting delivery of the new regulation from OPA.

TEXT OF FRUIT PRICING STATEMENT OF CONSIDERATIONS

The accompanying amendment adds to Supplement 13 to Food Products Regulation No. 1 pricing appendices for the following packed fruits now priced under Pricing Method No. 1: Red sour pitted cherries (for sales to purchasers other than government procurement agencies only); apricots (halves unpeeled, whole unpeeled, and whole peeled, packed in California only); sweet cherries (light unpitted, packed in California, Oregon and Washington); yellow cling peaches (halves, sliced, quartered and diced, packed in California only); Bartlett pears (halves peeled, quarters peeled, and diced, packed in California only); fruit cocktail (packed in California only); and applesauce (packed in New York, Virginia, Maryland, West Virginia, Pennsylvania). Bartlett pears (halves peeled) packed in Oregon and Washington will be added later. The amendment also makes miscellaneous changes in the supplement which are discussed below and numbered to correspond with the changes in the amendment itself.

The principal change made from the treatment of major fruits by Supplement 7, in addition to the transfer of applesauce packed in the principal producing areas (named above) from Pricing Method No. 2 to Pricing Method No. 1, is the inclusion in each appendix of tables to be used by processors in figuring (1) the amounts of the reduction in their gross maximum prices for raw material purchased below the weighted averages of recommended prices, (2) the adjustment for approved increases in basic wage rates, in areas other than California, and (3) the syrup differential separately for sales to government procurement agencies of fruit packed in syrup the density of which does not correspond to the grade of the fruit.

The Statement of Considerations accompanying Supplement 13 (see INFORMATION LETTERS for August 25 and September 1, pages 8743 and 8749), itself discusses in detail the reasons for requiring reduction in gross maximum prices where raw material is purchased at average prices lower than those reflected in the permitted increases, price ranges and dollars-and-cents prices. It also discusses the basis upon which adjustment factors for increases in basic wage rates were determined for the 1945 pack of packed fruits, berries and vegetables. This statement, accordingly, will discuss only the other changes which have been made in the pricing provisions with respect to each appendix.

The amount of the reduction per unit of the finished product for raw material purchased at a weighted average price lower than that reflected in the permitted increases, price ranges and dollars-and-cents prices has been calculated in each case by using the same yield factors as were used in establishing maximum prices under Supplement 7.

Separate syrup differential tables in each appendix for packed fruits other than sweet and red sour pitted cherries are provided for figuring a conversion for fruit packed in syrup the density of which does not correspond to the grade of the fruit, respectively, for sales to government agencies and for other sales. In the former situation the table provides a separate conversion factor to be used in figuring the maximum price for fancy or choice fruit packed in light syrup in the upper Brix range of this syrup. The differentials provided for syrups other than the upper Brix range of light syrup are the same as those provided in Supplement 7. Thus, a processor pricing fancy Bartlett pear halves packed in light syrup of 16°-18° Brix in No. 2½ cans subtracts the $0.21 differential named for extra heavy syrup and adds the $0.13 differential for this Brix range of light syrup. However, if he packs the fruit in light syrup of 14°-15.99° Brix, or if he is figuring his maximum price for sales to purchasers other than government procurement agencies, he adds only the $0.10 differential for the lower Brix range of light syrup. Separate syrup differential tables for the two types of sales are not provided for sweet cherries, since this product may be packed in other than light syrup under the provisions of Revised Ration Order No. 3. Sales of red sour pitted cherries to government procurement agencies are exempt from price control, hence the separate treatment is unnecessary.

Separate differentials for the upper Brix range were provided to implement the desire of the Army Quartermaster Corps to obtain fruit packed in the highest possible Brix range of light syrup and at the same time compensate processors for the increased cost of sugar used in making such syrup. An examination of the data upon which the fruit prices were based under Supplement 7 and other data indicates that the syrup differentials provided in that supplement were based on the cost of packing to slightly above the bottom of the Brix range of each grade. On the basis of this information the differentials to be used in packing in either range of light syrup were established to reflect cost differences for additional sugar above that necessary to pack out to the degree Brix above the lowest degree specified for the range. After consultation with the Department of Agriculture and the Army Quartermaster Corps, the Price Administrator has determined that, in view of the needs of the armed forces for fruit packed in syrup of the highest possible syrup density permitted under Revised Ration Order No. 3, with respect to establishment of separate syrup differentials for fruit sold to government procurement agencies no practicable alternative exists for securing effective price control with respect to these commodities.

Changes made from Supplement 7 by accompanying amendment in the pricing appendices for packed fruits

Red sour pitted cherries. The appendix for red sour pitted cherries now reflects in the permitted increases, price ranges and dollars-and-cents prices the following newly approved grower prices: California, Arizona, Nevada, Utah, Idaho, Montana and Oregon—$0.08 per pound; Washington—$0.08¼ per pound; Texas, New Mexico, Oklahoma, Kansas, Colorado, Wyoming, Nebraska, North Dakota and South Dakota—$0.10½ per pound; and all other States—$0.13 per pound. The $0.08 figure is the amount required by Section 3 of the Stabilization Act of 1942, as amended, to be reflected to producers in maximum prices for the processed commodity. The other figures are amounts in excess of the legal minimum that were approved by the Economic Stabilization Director as being necessary to maintain the proper maximum price relationship between red sour cherries for fresh use and for processing.

Permitted increases, price ranges and dollars-and-cents prices based on the new raw fruit cost are named only for standard grade water pack. It is contemplated that only small quantities of red sour pitted cherries of substandard grade will be available for civilian distribution as the entire pack of canned red sour pitted cherries was covered by a set-aside order for government sales and only limited quantities of substandard grade have been or are expected to be released for civilian use. The amendment continues in effect the exemption from price control of red sour pitted cherries sold to government agencies which was in Supplement 7.

Under Supplement 7, seven pricing areas were established for red sour pitted cherries. Ten areas are established by the accompanying amendment in order to reflect the approved 1945 raw material prices by proper areas. Consideration was given to a recommendation made by the Commodity Committee that Washington be placed in an area with Oregon, or with Oregon and Montana. However, an examination of the data upon which maximum prices were based under Supplement 7 indicate that Washington, Oregon and Montana should be placed in separate areas in view of differences in base period prices, 1941 raw fruit cost, differences in yield, and differences in the amount of the increases in other costs between 1941 and 1945. The amendment, accordingly, continues as in Supplement 7 to place these States in separate pricing areas, with Washington and Montana in each case in an area by itself and Oregon in an area with Idaho and California. Also, at the request of the Commodity Committee an examination of the data for permitted increases for red sour pitted cherries packed in Utah was made, and additional cost information was secured from representative companies. The data indicate that no change should be made in the permitted increases pro-

vided in Supplement 7 other than to reflect the new raw material price.

The changes in raw fruit cost for each area, like the reduction factors provided in Table 8 for reducing gross maximum prices where the weighted average price paid for fruit is below that reflected in the permitted increases, price ranges and dollars-and-cents prices, were determined by using the same average yield factors by area that were used in establishing prices under Supplement 7.

The syrup differential table for red sour pitted cherries is revised from that used in Supplement 7 in order to establish the differentials on the basis of "cut-out" Brix densities rather than "put in" Brix densities as used under that supplement. This brings the pricing appendix for red sour pitted cherries into line with the methods used in the other fruit appendices.

Apricots. In addition to inclusion of the new features of separate syrup differential tables for figuring maximum prices for sales to government procurement agencies and other sales of fruit packed in syrup the density of which does not correspond to the grade of the fruit, and a table by which processors figure the amounts of the reduction in gross maximum prices if fruit is purchased at a weighted average price lower than the weighted average of recommended prices, the introductory part of the pricing appendix for packed apricots has been revised from the Supplement 7 treatment in line with changes made in the pricing appendices for packed vegetables. Provision is made for selection of a base period item in pricing under section 5 (a) (3) or (4) and for conversion from one style of pack to another. There has been no change in the raw fruit cost of $89.00 per ton reflected in the permitted increases, price ranges and dollars-and-cents prices last year.

Sweet cherries. The pricing appendix for sweet cherries also has the same permitted increases, price ranges and dollars-and-cents prices that appeared in Supplement 7, since there has been no change in the reflected raw fruit cost of $233 per ton for California and $215 per ton for Oregon and Washington. It also includes tables by which processors figure the amounts of the reduction in gross maximum prices if fruit is purchased at a weighted average price lower than the weighted average of recommended prices, and by which adjustments are made for increases in basic wage rates. No wage rate adjustment is provided in Area 1, as labor increases incurred in that area are not of a kind that can be recognized under the provisions of Directive 75 of the Office of Economic Stabilization. The introductory part of the appendix has been revised from last year in a manner similar to the apricot appendix.

Yellow cling peaches. The pricing appendix for yellow cling peaches includes the same new features mentioned above for apricots. The introductory part of the appendix is also revised similarly. There has been no change in the permitted increases, price ranges and dollars-and-cents prices, since the 1945 recommended average price of $60 per ton for yellow cling peaches produced in California is the same as the raw fruit cost used in Supplement 7.

Bartlett pears. The permitted increases, price ranges and dollars-and-cents prices for Bartlett pears have been revised from last year to reflect the reduction in the recommended raw material price from $80 to $73 per ton. The new schedules also correct a mathematical error which existed last year in the prices for pie and solid pack pie grades of pears. This appendix also includes the same new features mentioned above for apricots. The explanation of the appendix has been revised from last year in a manner similar to the revision made in the other fruit appendices.

Fruit cocktail. The pricing appendix for fruit cocktail has been revised from last year to reflect the new raw material costs for Bartlett pears and Thompson seedless grapes. Also, it includes the same new features mentioned above for apricots. Reduction factors are provided for Thompson seedless grapes, clingstone peaches and pears purchased below recommended prices. No reductions factors are provided for Maraschino cherries and pineapple since these commodities are generally purchased in processed form and are subject to ceiling prices. The explanation of the appendix also has been revised from last year in conformity with the revision made in other fruit appendices.

Applesauce. The accompanying amendment adds a pricing appendix for applesauce produced in New York, Virginia, Maryland, West Virginia and Pennsylvania, States which produce over 90 per cent of the total United States production of applesauce. In bringing this commodity under Pricing Method No. 1, in the opinion of the Price Administrator the pricing technique will be improved and maximum prices established under this method will be more in line with each other as extremely low prices will be raised to the bottom of the price ranges, while extremely high prices will be cut back to the top of the price ranges. Two pricing areas are provided, with New York in an area by itself and the other States named above in another area. These areas were determined separately on the basis of geographical location and similarity of base period prices.

The base period prices were determined from prices reported under the reporting Order issued April 15, 1944. The permitted increases reflect the cost increases in raw material from 1941 to 1945, the 10 per cent increase which was provided in 1943 for cost increases other than raw material, the labor adjustment increases provided under Supplement 7, and the profit adjustment factor used in that supplement. They were computed by taking the differences between the weighted average base period prices and the weighted average 1944 maximum prices in an area. The price ranges were computed by taking the weighted average base period prices and adding the permitted increases to arrive at the mid-point or "middle-of-the-range" price in each case. Standard deviations obtained from 1941 base period prices were applied to the mid-point to determine the low and high prices of each range. The weighting factors used in the computation are company pack figures. The can size conversion tables were determined from base period price relationships, while the "tin-to-glass" conversion used is the same as provided last year under Pricing Method No. 2 of Supplement 7.

Miscellaneous changes in the supplement

(Item 1). The exemption from price control of sales to government procurement agencies of packed red sour pitted cherries which was provided by Amendment 25 to Supplement 7 is carried forward into Supplement 13, since the accompanying amendment adds red sour pitted cherries to the products covered by this supplement.

(Items 2 and 3). The note referring to certain fruits at the beginning of section 5 is deleted since these fruits have now been included in the supplement by the action taken under Item 3 of the accompanying amendment.

(Item 4). The explanation of how conversions are made, at the beginning of section 5 (a) (2), is amended by adding an additional paragraph setting forth the order in which the conversion for fruit packed in syrup not corresponding to the grade of the fruit is to be taken in figuring the maximum price for such an item. The text of subparagraph (2) of section 5 (a) is also amended to clarify the order in which steps are to be taken in figuring the maximum price for a fruit item when a conversion for syrup differential is required to be figured.

(Item 5). A portion of the text of section 5 (a) (4) is amended to clarify the order in which steps in figuring the maximum price are to be taken when a conversion for syrup differential is necessary. Since the price ranges for fruits (except red sour pitted cherries and applesauce) are based on fruit packed in syrup which correspond to the grade of the fruit, it is necessary to convert for syrup differential, where necessary, to the item being priced after application of the limitations of the price range.

(Item 6). The text preceding the table in section 6 (a) (3), dealing with the manner of calculating 1945 raw material cost is amended to provide that for fruits for which the Department of Agriculture and the Office of Price Administration have announced prices for payment to growers on the basis of grade or district classifications to be used in constructing processor's ceiling prices, the processor shall figure his weighted average raw material cost for the quantities of fruit purchased in this manner on the basis of the weighted average price actually paid for each

grade or district classification but not to exceed the announced price for that grade or district classification. As originally issued this provision of section 6 limited the processor's 1945 raw material cost for certain fruits to the weighted average price paid for each grade or district classification and in addition to the area average price for such fruit. The effect of the change made by the accompanying amendment is to remove the limitation of the area average price for all quantities of fruit that are purchased on a graded basis, and follows recommendations made by the Department of Agriculture and members of industry who will be affected by this pricing provision.

(Item 7). The can size conversion table in section 6 is amended to provide a method of conversion from No. 10 cans of tomato puree to 5-gallon cans. This conversion factor is added to the supplement at the request of members of industry, and is based on 1943 maximum price relationships as reported under Maximum Price Regulation 306.

(Item 8). Pricing Method No. 2 is amended, with respect to the method of figuring 1945 raw material cost for apples by processors whose factories are located in Oregon or Washington, to provide an alternative basis of figuring this cost. The new method permits the processor who so elects to figure his 1945 raw material cost for apples on the basis of certain dollars-and-cents prices named for apples used in making each of the four apple products covered by Pricing Method No. 2, rather than on the basis of the general pricing provisions of section 6 (a) (3), under which a processor must base his computation on not less than the first 75 percent of his season's purchases of apples. The 75 percent requirement has imposed a hardship on processors in this area who purchase apples over an extended period of time through the packing houses and who accordingly would not be able to figure their maximum prices for several months. The alternative pricing method permits processors to figure their maximum prices immediately. The raw material price named for packed apples and applesauce was calculated by determining the percentage relationship that existed last year between the 1944 recommended price for U. S. No. 1 cannery grade, Class A varieties of apples and the actual average price paid for apples for canning in the Northwest States as reported by the Bureau of Agricultural Economics, and then applying the same percentage relationship to the 1945 recommended price for U. S. No. 1 cannery grade, Class A varieties. In the case of apples used for apple juice and sweet cider, it was determined from Bureau of Agricultural Economics figures that the price actually paid last year was at least the maximum price recommended for reflection in ceilings for these products. Therefore the apple prices specified in the alternative method for reflection in processor's ceilings for apple juice and sweet cider are the maximum 1945 recommended prices for the grades of apples generally used in processing those products.

A new method is provided for figuring 1945 raw material costs for beets by processors whose factories are located in Oregon or Washington which permits these processors to figure their maximum prices immediately. The new provision directs the processor to reflect in his maximum prices for beets $21 per ton as the price paid for raw material if he has contracted with growers for at least 75 percent of his season's requirements of beets on the basis of the graded prices announced by the State Agricultural Conservation Committee of the Department of Agriculture and has been certified by that agency as agreeing to pay such prices. The announcements made by the Agricultural Conservation Committees in these States required processors to contract for beets on a graded basis in order to be certified under the purchase and guarantee program of the Department of Agriculture. The graded prices named in the announcements are calculated to average $21 per ton assuming that the 1945 crop of beets is a normal crop. In the absence of the new provision processors would be required to wait until they receive at least 75 percent of their season's deliveries of beets before they would be able to determine their weighted average cost for raw material. This requirement imposed a hardship on processors in this area since beets are harvested over a long period of time and processors would not be able to determine their maximum prices for several months. In other areas where processors have contracted for beets on the basis of the average recommended price they are able to figure their maximum prices immediately if the contracted acreage covers 75 percent of their season's requirements.

(Item 9). Pricing Method No. 2 is amended to provide a pricing method whereby processors figure their maximum prices for tomato puree of a specific gravity different from that sold by them during the base period. The pricing method names a differential of $0.00 per thousandth of a point in specific gravity which is to be added to or subtracted from the maximum price of that item of tomato puree in No. 10 cans which is nearest in specific gravity to the item being priced, for which the processor is able to figure a maximum price under the pricing formula of section 6. This differential pricing method names the same $0.00 per thousandth of a point in specific gravity that was provided in section 6 (g) for use in connection with the dollars-and-cents prices named there for tomato puree. Pricing Method No. 2 has been amended further to provide a differential whereby processors can figure their own maximum prices for extra standard ungraded as to sieve size lima beans containing a greater percentage of green beans than during the base period. The new differential which is to be added to the maximum price for No. 2 cans is the same as the one provided in section 6 (g) for use in connection with dollars-and-cents prices.

(Item 10). The footnote under the Part 1 table in section 6 (g) has been amended by deleting the reference to subtraction from the prices listed in the table of a factor of 4¢ for each 10 percent green under 50 percent. If the item does not contain at least 50 percent green lima beans the price named in the table for extra standard ungraded as to sieve size does not apply and the item must be priced standard grade using the price named in the table for that grade.

Requirements of Section 2 of the Emergency Price Control Act of 1942, as amended, and Section 3 of the Stabilization Act of 1942, as amended, are complied with

The maximum prices established by the accompanying amendment for packed fruits are generally fair and equitable within the meaning of section 2 of the Emergency Price Control Act of 1942, as amended. These prices are calculated to return to the industry as a whole profits at least equal to the average return of that industry during the years 1940-1941. The Price Administrator has determined that this profit return is at least as high as that received in a normal peacetime period by this industry. Consideration has been given to the level of prices in the industry between October 1 and October 15, 1941, and to the increases in cost which have occurred since that time. The Price Administrator has consulted with members of the industry who will be affected by this amendment and has given consideration to their recommendations.

The maximum prices established for packed fruits other than applesauce by the accompanying amendment are computed in each case on the basis of the amount required by section 3 of the Stabilization Act of 1942, as amended, to be reflected to producers in the maximum prices for the processed commodity, or a price approved by the Economic Stabilization Director which is above that amount. The raw material prices reflected in the maximum prices fixed by the amendment are set forth above in each case in connection with the discussion of the relevant pricing appendix. The Statement of Considerations accompanying Supplement 13 sets forth a schedule of legal minimum amounts for the fruit, other than apples, that are covered by this amendment.

The raw material prices used to fix these maximum prices (other than for applesauce) were approved by the Economic Stabilization Director (and confirmed by the Stabilization Administrator) as being necessary to aid in the effective prosecution of the war or to correct gross inequities. The raw material cost used for applesauce, that is, $112 per ton, an amount in excess of the equivalent legal minimum of $28.50 per ton for apples for processing (the highest price paid to producers during the period January 1 to September 30, 1942)

was recommended by the Department of Agriculture as necessary to maintain the proper maximum price relationship between maximum prices established for apples for table use and apples for processing. To the extent that the increased maximum prices for applesauce are based on a grower price for apples for processing in excess of the legal minimum, the Price Administrator has found that the adjustment is necessary to correct maladjustments or inequities which would interfere with the effective transition to a peacetime economy. A generally fair and equitable margin of profit is allowed for processing and adequate weighting has been given to farm labor.

All provisions of this amendment and their effect upon business practices, cost practices, or methods, or means or aids to distribution in the industry or industries affected have been carefully considered. No provisions which might have the effect of requiring a change in such practices, means, aids, or methods established in the industry or industries affected, have been included in the amendment unless such provisions have been found necessary to achieve effective price control and to prevent circumvention or evasion of the supplement or of the act. To the extent that the provisions of this amendment compel or may operate to compel changes in business practices, cost practices or methods, or means or aids to distribution established in the industry or industries affected, such provisions are necessary to prevent circumvention or evasion of this supplement or of the Emergency Price Control Act of 1942, as amended.

Issued this 27th day of November, 1945.

CHESTER BOWLES,
Administrator.

OPA Frees Additional Sugar

The Office of Price Administration, by issuance of Amendment 46 to Second Revised Ration Order 3, has now provided a means whereby industrial users of sugar who were barred from resuming civilian production for lack of sugar may now register their plants and obtain an allotment of rationed sugar, according to the House Small Business Committee.

The committee has had several complaints alleging hardship presented to it wherein an industrial plant, by virtue of having confined its production to military or war products during the base period, has been unable to obtain supplies of sugar because of the lack of a base period and because it did not register as an industrial user prior to December 15, 1943, or did not re-register between December 15, 1943, and January 5, 1944. Amendment 46 now permits this class of industrial user to register by filing OPA Form R-1200 and, from this registration, to have a sugar base established.

Forthcoming Meetings

December 3—National Kraut Packers Association, Chicago, Ill.

December 6-7—Iowa-Nebraska Canners Association, 44th Annual Convention, Hotel Fort Des Moines, Des Moines, Iowa.

December 7-8—Tri-State Packers' Association, Annual Convention, Lord Baltimore Hotel, Baltimore, Md.

December 10—Maine Canners Association, Annual Meeting, Eastland Hotel, Portland.

December 13—Minnesota Canners Association, 39th Annual Meeting, St. Paul Hotel, St. Paul.

December 13-14—Association of New York State Canners, Inc., 60th Annual Meeting, Hotel Statler, Buffalo.

December 19-20—Ohio Canners Association, Annual Meeting, Deshler-Wallick Hotel, Columbus.

January 7-11, 1946—National Council of Farmers Cooperatives, 17th Annual Meeting, Edgewater Beach Hotel, Chicago, Ill.

January 10-11, Wisconsin Canners Association and University of Wisconsin Cannery Sanitation Conference, Madison.

January 9-11—Northwest Canners Association, Gearhart Hotel, Gearhart, Ore.

February 3—Old Guard Dinner, Claridge Hotel, Atlantic City, N. J.

February 3-8—National Canners Association, Annual Convention, Ambassador Hotel, Atlantic City, N. J.

February 3-8—National Food Brokers Association, Annual Convention, Dennis Hotel, Atlantic City, N. J.

February 3-8—Canning Machinery & Supplies Association, Annual Convention, Claridge Hotel, Atlantic City, N. J.

February 3-8 — National American Wholesale Grocers Association, Annual Convention, Marlboro-Blenheim, Atlantic City, N. J.

February 21-22—Ozark Canners Association, Colonial Hotel, Springfield, Mo.

March 8—Canners League of California, Annual Meeting, Fairmont Hotel, San Francisco.

To Reach Pilchard Pack Goal

The Office of the Coordinator of Fisheries predicted this week that the Pacific coast pilchard industry may make a "satisfactory showing" toward attaining the goal of five million cases set for the 1945-46 season.

The pack of canned pilchards or Pacific sardines, since the opening of the season on August 1, had totaled 2,506,355 cases by November 17, compared with only 2,219,258 cases packed during the comparable period in 1944. The catch, on the other hand, is lagging behind last year's figures by about 63,000 tons.

A goal of five million cases of canned pilchards, which is above the average output of this industry, was set for the current season because of the critical world shortage of protein foods. Canned fish such as pilchards provide an inexpensive and easily transportable source of such food. The goal can be reached only if normal fishing conditions prevail for the balance of the season and if the canneries continue to pack at the high rate maintained so far, the Coordinator's office emphasized.

Holdings of Frozen Fish and Shellfish Reach All-time High

Total holdings of frozen fish and shellfish reached an all-time peak of 138 million pounds on November 1, and inventories since the first of the month have continued the upward trend in most important centers of production and marketing, the U. S. Fish and Wildlife Service reported this week.

The largest quantity of fish ever held in storage previously was 132 million pounds, reported on October 1, 1944. Present holdings represent an increase of about 10.5 million pounds over October 1, 1945, and are 27 million pounds above the 5-year average for this time of year.

Although holdings normally level off or decline rather sharply after November 1, current reports reaching the Fish and Wildlife Service indicate that increased quantities of fish have been going into storage during November in New York, Chicago, Gloucester, on the New Jersey coast, and in the Gulf of Mexico area.

One of the most striking features of the reports is the rise in the quantity of shrimp placed in storage. Holdings of frozen shrimp, which totaled four million pounds on September 1, rose to 8.4 million pounds on October 1 and to the unprecedented figure of 13.3 million pounds on November 1. The increase in holdings of frozen shrimp is not confined to the Gulf area, but is general throughout the country, the Service reported.

Compared with November 1, 1944, when holdings totaled 131 million pounds, the principal increase occurred in inventories of saltwater fish and shellfish. Saltwater species rose from 109 to 113 million pounds; shellfish from 11 to 19 million. Holdings of fresh water fish, on the other hand, are lower than a year ago, declining from 10 to 7 million pounds.

Cuban Sugar Crop Increases

Estimates of the 1946 Cuban sugar crop have been revised upwards and now stand at 4,500,000 short tons, or 15 percent greater than the 1945 sugar output, according to the U. S. Department of Commerce. The brighter prospects, which may mean a larger amount of sugar available for distribution in the United States next year, result from favorable rainfall during July and August.

During the first half of 1945 rainfall was only about 50 percent of normal. Now, however, the sugar cane is reported growing well, although it is still behind normal growth for the season.

Unfavorable factors are the possibility that the sucrose content may be lower than usual this year because of the late-maturing crop and that the late rains may encourage the growth of new sprouts that might interfere with the development of the main stalks.

Civilian Supplies and Stocks of Canned Peas Show Increases

Civilian supplies of canned peas from the 1945 pack total 35,898,000 cases (basis 24/2's) as compared with 19,647,000 cases (basis 24/2's) in 1944, according to the Association's Division of Statistics. The 1945 pack of canned peas is 39,640,000 cases (basis 24/2's) as against last year's pack of 31,524,000 cases (basis 24/2's).

The following tables—which are compiled from reports from canners who packed 83 percent of the 1945 pack, together with estimates from those not reporting, and other available data—give an analysis of canned pea packs, stocks and supplies for 1944 and 1945, as well as a breakdown of stock figures by regions, grades and varieties:

SUPPLY, STOCKS AND SHIPMENTS

(1,000 cases—basis 24/2's)

	1944–45	1945–46
Civilian carryover stocks, June 1	700	131
Pack	31,524	39,640
Total supply	32,224	39,780
Government purchases	12,577	* 3,882
Civilian supply	19,647	35,898
Civilian stocks, Nov. 1	6,829	12,973
Civilian shipments, June 1 to Nov. 1	12,818	22,925

* Expected government purchases from 1945 pack.

STOCKS BY REGIONS AND VARIETIES IN CANNERS' HANDS ON NOV. 1, 1945

	Alaskas *Actual cases*	Sweets *Actual cases*
Northeast	6,376	780,695
Middle-Atlantic	154,355	149,014
Mid-West	3,221,925	4,646,037
Western	195,935	3,399,107
Total	3,578,591	8,974,853

STOCKS BY AREAS, GRADES, VARIETIES IN CANNERS' HANDS—NOV. 1, 1945

ALASKAS

Grade	Can Sizes 24/2	Can Sizes 6/10	Total *Cases*
Northeast			
Fancy	.....	.....	.....
Extra Std.	.....	.....	.....
Standard	.....	6,376	6,376
Middle-Atlantic			
Fancy	6,806	236	7,042
Extra Std.	30,524	1,685	32,209
Standard	102,787	12,317	115,104
Mid-West			
Fancy	567,922	25,910	593,832
Extra Std.	1,001,724	174,305	1,176,029
Standard	1,333,002	119,062	1,452,064
Western			
Fancy	78,199	1,289	79,488
Extra Std.	33,877	13,225	47,102
Standard	47,722	21,623	69,345
Total	3,202,563	376,028	3,578,591

SWEETS

Northeast			
Fancy	342,787	27,221	390,860
Extra Std.	212,518	107,488	320,006
Standard	61,053	8,774	69,827
Middle-Atlantic			
Fancy	27,918	1,000	28,918
Extra Std.	80,060	24,700	104,760
Standard	13,623	1,713	15,336
Mid-West			
Fancy	1,761,057	65,915	1,837,038
Extra Std.	1,964,129	180,356	2,144,485
Standard	634,613	29,901	664,514
Western			
Fancy	1,244,022	62,571	1,306,783
Extra Std.	1,101,225	307,664	1,408,889
Standard	549,577	133,858	683,435
Total	7,992,582	951,161	[a] 8,974,853

[a] Includes 31,110 cases of 303's and miscellaneous tin and glass.

Shortening Package Limitation

Acting to maintain the same relative distribution of the various package sizes of shortening, lard, and salad and cooking oils as existed during the rationing period, the U. S. Department of Agriculture this week amended War Food Order 42 to restrict manufacturers of these products to approximately the same package-size distribution they had during the rationing period.

Controlling package-size distribution will serve to maintain approximately the same proportionate distribution of food fats and oils among institutional, household, and industrial users, USDA officials explained. Although fats and oils were removed from rationing on November 24, it is necessary to continue an even flow of available supplies in the general pattern of distribution.

The action was taken under Amendment 21 to WFO 42, effective January 1, 1946. Under the provisions of the amendment, the calendar year 1944 will be used as the base period in determining the package-size distribution of shortening and salad and cooking oils; the year 1945 will be used for lard.

Some Snap Bean Prices Raised

Minor increases in canners' ceiling prices for some canned snap beans of the 1945 and later packs, for processors located in Area 11 (Washington, Oregon, California, and certain counties in Idaho) were announced this week by the Office of Price Administration to correct certain errors made by OPA in computing raw material costs. The action which was taken through the issuance of Amendment 7 to Supplement 13, effective November 28, increases processors' ceiling prices for pole beans as follows:

Sieve sizes 5 and up, and ungraded, by two cents per dozen No. 2 cans and by corresponding increases in other can sizes.

The amendment also changes the differentials from pole beans for 5 sieve and up and ungraded bush beans in Area 11 to the correct figures of $0.06 per dozen No. 2 cans and $.20 per dozen No. 10 cans instead of the $0.04 and $.20 differentials previously provided.

Merrill and Williams Speak

C. M. Merrill and C. C. Williams of the N. C. A.'s Washington Research Laboratory were among the principal speakers at the recent meeting of the Washington (D. C.) Branch of the Society of American Bacteriologists. Captain H. B. Rogers, Jr., QMC Subsistence Research and Development Laboratory, Chicago, Ill., a former member of the Association's Laboratory staff, appeared on the program with them.

Subject of the paper, delivered by Messrs. Merrill and Williams and Captain Rogers, was "The Ultra-violet Sterilization of Sugar for Use in Canning Non-acid Foods." The paper explained the work of the N. C. A. and the Army QMC in combatting spoilage from sugar contamination through the use of ultra-violet sterilization.

F. A. Stare Special Train

Plans are being worked out by Wisconsin canners to operate a "F. A. Stare —Wisconsin Canners" special train from Milwaukee, Wis., to Atlantic City, N. J., for the National Canners Association Convention this February. The special train, which will consist of sleeping cars, a lounge car, baggage car, and dining car, will operate over the Milwaukee Road, B. & O., and P. R. S. L. lines. Further information about the "special" will be released from Wisconsin as soon as all arrangements have been completed.

PAYMENT OF SUBSIDIES ON CANNED FOOD EXPORTS

USDA Advises Canners and Exporters on Procedure for Goods Sold in Foreign Export

The U. S. Department of Agriculture this week advised exporters and canners of the general procedure that will be followed in recovering subsidy payments made to the original canner on goods eventually sold in foreign export. (The 1945 canned vegetable subsidy agreement does not provide for payment to be made on export sales of canned vegetables and vegetable products.)

Until the effective date of the new procedure, however, a waiver to the subsidy agreement will be issued authorizing payment of the subsidy to the canner who exports his own production provided such sales have cleared U. S. Customs before the effective date and are otherwise eligible. This action has been taken to extend comparable treatment to all classes of exporters.

Sales to U. S. possessions and territories listed in Schedule C, Code, classification of countries January 1, 1945 (Alaska, Puerto Rico, Virgin Islands of U. S., Hawaiian Islands, Midway Islands, Wake Island, Guam Island, Canton, Enderbury Island and American Samoa), are eligible for the subsidy payment and will be handled in the same manner as sales to the domestic civilian trade.

The effective date after which subsidy refund on foreign export shipments will be required and the schedule of refund rates will be announced at a later date. All exporters must apply for a certificate of subsidy clearance before shipments can be cleared for export. The designated canned vegetables on which refunds will be required are: Snap beans, sweet corn, green peas, tomatoes, tomato juice, tomato puree, tomato paste, catsup, tomato sauce, chili sauce, cocktail sauce, tomato-hot sauce, tomato soup and green pea soup. A limited time will be allowed between the announcement of the effective date and the effective date of the refund procedure to permit exporters to clear consumated sales through U. S. Customs without the necessity of obtaining a certificate of subsidy clearance.

Under the refund procedure outlined today by the USDA the exporter who is selling outside the U. S. or its possessions and territories is required to refund subsidy payments which have been made by Credit Commodity Corporation to the canner before the shipment will be cleared for export. Both exporters and canners who are selling in export will be required to file application for a certificate of subsidy clearance. Field offices of the Fruit and Vegetable Branch of the Production and Marketing Administration will accept these applications and will issue the certificates. Exporters and canners will be required to present certificate of subsidy clearance to the U. S. Customs office before the shipment may clear for export.

Canned vegetables from the 1945 production, as well as from previous years, will be subject to the refund procedure if the shipment is made on or after the effective date to be announced at a later date and if such shipments have already been cleared for export through the U. S. Customs.

Although canners who export after the new procedure becomes effective will be required to obtain and file certificates of subsidy clearance, the canner who then exports his own production will not make refunds because no subsidy will be paid on such sales.

Record Canned Food Shipments

Civilian shipments of canned fruits and vegetables reached an all-time record of 1,188,000 cases daily during the first month following the lifting of rationing and indications are that total civilian shipments for 1945-46 will be the largest in history, according to the U. S. Department of Commerce.

Figures compiled by the Census Bureau for September—the latest month for which figures are available—showed that civilian shipments by packers and wholesalers of canned fruits totaled 227,000 cases; fruit juices, 256,000 cases; vegetables, 677,000 cases; and baby foods, 28,000 cases, according to the Foodstuffs Unit, Bureau of Foreign and Domestic Commerce.

The previous high record for civilian shipments of canned fruits and vegetables was in September, 1942, when the average was 1,143,000 cases daily. However, in 1942 dealers had large stocks on hand whereas today inventories are at minimum levels and the reversion to normal free supply and consumer purchasing according to desires and pocketbooks has not gotten into high gear, the Department states.

Total 1945-46 supplies of civilian canned fruits and vegetables, including packer-wholesaler carryover stocks, are estimated at 400 million cases compared with peak supplies of 442 million cases in 1942. Civilian supplies for this year are four million cases below those of 1939-40 and 17 million cases below the supplies available in 1940-41 but they are above the pre-war five-year average of 383 million cases.

Cider Vinegar Ceilings Raised

Increased maximum prices for cider vinegar, to reflect increases in the recommended prices of fresh apples necessitated by a short crop, were specified November 29 by the Office of Price Administration in Amendment No. 4 to Maximum Price Regulation No. 428, which becomes effective December 4.

Retail prices for cider vinegar will be increased from about four to 10 cents a gallon. The variation in the price is caused by the fact that the increase in apple costs is less in five of the Western States than in other sections of the country, OPA stated.

The action will increase processors' and secondary packers' prices for cider vinegar by about three cents a gallon in California, Idaho, Montana, Oregon and Washington, and by about eight cents in the other States. Processors with plants in both areas will have different ceilings for a single item which they may use or they may figure a weighted average maximum price for such an item and use it instead of the two ceilings, it was stated.

Death of Gertrude Kissell

Mrs. Gertrude Speiden Kissell, 37, who was for several years in charge of the Research Laboratory's microanalytical work, died suddenly of cerebral hemorrhage in a Washington hospital on November 27.

Mrs. Kissell had won recognition throughout the industry for her competence and judgment in the field of microanalytical work.

In addition to assisting members of the Association with important and often difficult problems of factory control, she took a major part in the tomato products schools conducted annually in Indiana and New York. In this capacity she had helped train a great many technicians for service to the canning industry.

Mrs. Kissell became a regular employee of the Association in June, 1931, and prior to then had worked part time while completing her education at University of Maryland, from which she was graduated in 1929. She continued her connection with Association work while a post graduate student at George Washington University.

Mrs. Kissell's capabilities and character not only had won the high regard of the industry at large but had made a lasting place in the affection of her fellow employees on the N.C.A. staff.

CONGRESS SUMMARY

The House Appropriations Committee on November 26 recommended the $14,000,000 appropriation to continue the Department of Agriculture's farm labor program for another calendar year, and as the *Letter* went to press the House was expected to approve the appropriation. Committee approval also was given to a new feature of the farm labor supply program—a plan to charge growers 50 cents a day for workers for the number of days a man works, wherever practicable. The bill is a part of the First Deficiency Appropriation Bill.

Extension of the Second War Powers Act for another six months is virtually assured as the *Letter* goes to press. The House Judiciary Committee, on Tuesday, recommended the extension for another six months and the House was expected to approve the measure on Friday.

The Senate Appropriations Committee approved the $550,000,000 appropriation for the United Nations Relief and Rehabilitation Administration without amendment. At the same time the House Foreign Affairs Committee placed its approval on legislation which would provide UNRRA with an additional $1,350,000,000 for next year.

The Senate, in approving the $550,000,000 appropriation for UNRRA, struck out an amendment adopted by a subcommittee and sponsored by Senator Thomas of Oklahoma, which would have required UNRRA to pay parity prices for all farm products purchased in this country.

The House, earlier, in approving the $550,000,000 appropriation, had attached a proviso that none of the money could be used in countries which bar American newsmen from reporting on UNRRA activities there. Whether or not this provision will be retained in the bill will be decided when the measure goes to conference.

Secretary of Agriculture Clinton P. Anderson on Tuesday told the House Committee on Agriculture that he was opposed to the bill (H. R. 3422) which has been introduced by Representative Flannagan of Virginia, and which would place all farm credit agencies under a seven-member board appointed by the President. Anderson said he was in sympathy with the broad general principles of the measure, but that he was convinced that the objective could be accomplished best by retaining the Farm Credit Administration and the Farm Security Administration in the Department of Agriculture rather than by taking them out.

Authorization for the Export-Import Bank to extend its operations to include the Philippine Islands, is contained in a bill (H. R. 4683) which was approved Wednesday by the House Banking and Currency Committee. The measure is designed to benefit American business men wishing to export their products and to aid in the reconstruction of the Philippines.

Representative Flannagan of Virginia, chairman of the House Agricultural Committee, has introduced a bill (H. R. 4851) which would set up a new Federal Insecticide, Fungicide and Rodenticide Act to regulate the marketing of economic poisons and devices.

The House Interstate Commerce Committee has been informed by the Interstate Commerce Commission that it is the opinion of the Commission that the bill (H. R. 2764) to subject freight forwarders to ICC regulation as common carriers, should not pass. The ICC holds the position that freight forwarders who consolidate less than carload shipments of freight into carloads are shippers and not carriers.

Colin F. Stam, chief of the Congressional tax authorities, has referred to members of the Joint Committee on Internal Revenue Taxation the data made public November 16 by the Bureau of Internal Revenue with respect to tax exempt organizations under Section 101 of the Internal Revenue Code. Stam is completing a digest of the data which he plans to furnish members of the committee within the near future.

Bacterial Blight Losses

Bacterial blight, a seed-borne disease, causes some losses to bean growers every year, according to the latest report of the Louisiana Agricultural Experiment Station. When frequent blowing rains occur the disease becomes widespread and causes severe losses and many fields have suffered from 50 percent to total loss of the crop. Since numerous seed treatment experiments failed to give adequate control of the disease, it seemed advisable to locate an area from which blight-free seed could be secured, the report states.

Through correspondence with plant pathologists in California and in the U. S. Department of Agriculture who had observed bean fields in California, it was learned that no bacterial blight had been observed in the Sacramento Valley. In 1936, arrangements were made to have a small amount of bean seed increased in California and shipped to Louisiana for trial plantings. Two hundred pounds of seed was received in the spring of 1937 and distributed in 10-lb. lots to farmers throughout the bean growing area. These plots were examined three times during the growing season and in isolated plantings no bacterial blight or anthracnose was found.

In 1938, the varieties Bountiful and Sure Crop Wax were also increased in California for trial purposes. In the spring of 1939, 2800 lbs. of Giant Stringless Green Pod, 400 lbs. of Sure Crop Wax, and 700 lbs. of Bountiful seed were received for planting. Several farms which were planted entirely with this seed were observed several times during the season and no bacterial blight or anthracnose was observed.

The seed production in California has continued to expand as follows: 1940—25,600 lbs.; 1941—40,000 lbs.; 1942—50,000 lbs.; 1943—104,300 lbs.; 1944—153,500 lbs.

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